

Committee of Thirteen Report

November 10, 2008

The Committee of Thirteen of the Benton County Quorum Court met Monday, November 10, 2008 at 6:00 P.M. in the Quorum Court Room, County Administration Building, Third Floor, 215 East Central, Bentonville, Arkansas.

12 JPs Present: Brown, Glass, Harrison, Hill, Hobbs, Hubbard, Moore,
Stephenson, Summers, Williams, Wolf, Wozniak
1 Absent: Winscott

Others Present: Assessor Bill Moutray, Sheriff Keith Ferguson, Treasurer Deanna Ratcliffe, Circuit Clerk Brenda DeShields, County Attorney Robin Green, Richard McComas

Media: Tabatha Hunter – Daily Record; Scarlett Simms – Morning News

Chair Tim Summers called the meeting to order.

PUBLIC COMMENTS:

None

NEW BUSINESS:

1. Appropriation Ordinance Requests Forwarded From Finance Committee:

a) Dept. 05 - Boating and Safety – Transfer of Funds

JP Wolf made motion to forward to the November 20, 2008 Quorum Court agenda, seconded by JP Hobbs. JP Summers stated that the Finance Committee unanimously approved the transfer, and they are taking \$30,000 from the purchase of boats to repair the existing fleet.

Motion passed by unanimous show of hands vote.

b) Dept. 02 – County Clerk Automation – Additional Appropriation

JP Stephenson made motion to forward to the November 20, 2008 Quorum Court agenda, seconded by JP Hill.

Motion passed by unanimous show of hands vote.

c) Dept. 01 – Piney Point Fire Dept. – Appropriation of Pass Through Grant Funds

JP Glass made motion to forward to the November 20, 2008 Quorum Court agenda, seconded by JP Harrison. JP Summers stated that this is a pass through grant which will require no county funds.

Motion passed by unanimous show of hands vote.

d) Dept. 62 – Circuit Court, Div. 4 – Additional Appropriation

JP Summers explained that Judge Scott has used all of the money in the Ad Litem Attorney budget, so he is requesting an additional \$7,500, and does not anticipate that the fund will run short next year. JP Stephenson made motion to forward to the November 20, 2008 Quorum Court agenda, seconded by JP Hill.

Motion passed by unanimous show of hands vote.

2. 2009 Budget Discussion

Comptroller Richard McComas stated that books containing the 2009 proposed budget have been delivered to all of the Quorum Court members, and asked if there were any questions.

JP Moore asked if he was still comfortable with the sales tax projections. Richard McComas stated that they have estimated a 3% growth in the sales tax, and it might be optimistic, but he is choosing to stay with it at this point. He said that they had been experiencing 8% to 10% increases over the past 8 months, until the last month when there was a 4% to 5% decrease. JP Summers stated that they will have the opportunity to review it at the quarterly review. JP Stephenson asked how much in dollars that translates to. Richard McComas stated that is between \$270,000 to \$300,000. JP Moore stated that he recalled in 2001 that they actually had a net loss. Richard McComas stated that was probably due to the 2000 Census, and he will definitely be making an adjustment for 2011.

JP Moore asked if they know yet whether or not there will be a rollback. Richard McComas stated there is a possibility of a 1/10 of a mill rollback, which will translate to roughly \$400,000.

Richard McComas went over the proposed budget recapitulation; he said that they expect to end the year with \$7.9 million, counting investments, and after adding revenue and taking out commissions, they expect to have \$40,680,308 in available funds. He said that there will be \$4.5 million in Transfers Out of the General Fund, leaving approximately \$36 million in adjusted available funds. Richard McComas stated that in the County Road Fund, they expect revenue of \$6.5 million, plus a Transfer In from County General of \$3 million, which will result in \$9.6 million in Available Funds. He said that the total available for the two funds will be about \$45.8 million, from which \$4.5 million, or 10%, will be deducted for mandatory reserves. He said the budget proposed for County General is \$28.9 million and \$9.6 million for County Road, which will leave the reserve balance at about \$7.3 million. He said that is all based on making expected revenue in sales and property taxes, and does not include a rollback, which would decrease the balance by about \$400,000 to \$450,000.

Richard McComas noted that the budget includes three positions for the new court division, a new Courthouse Security Sergeant, a Court Orders Clerk for Judge Duncan's office, and a Heavy Equipment Operator for the Road Department. He said it also includes salary increases of 4%, proposed Elected Official and Justice of the Peace raises, \$34,000 for the Washington County HIV Clinic, and a \$300,000 transfer from the Circuit Clerk into the General Fund.

JP Wolf stated that she wants to be clear that they increased funding for Judge Scott's office this year, but that it is not being increased in 2009. Richard McComas stated that Judge Scott felt that the attorney ad litem fees in his, Judge Schrantz's and Judge Duncan's budgets would be enough to handle it.

JP Moore asked how they arrived at the 4% raise for county employees. Richard McComas stated that the recommendation had come from the Finance Committee. JP Stephenson stated

that when the discussion started in the Finance Committee, JP Summers had asked Richard McComas to start with a 3% across the board increase, and through discussion among the committee members it was agreed to grant a 2% cost of living increase, with a 2% merit increase.

Richard McComas stated that Capital Reserves will be at approximately \$5 million at the end of the year, and they have budgeted an additional \$625,000 in 2009, which will leave an ending 2009 balance of \$5.3 million, of which \$1,020,000 is dedicated to the jail expansion, and \$100,000 is dedicated to the War Eagle Bridge project.

JP Summers asked what percentage of the overall budget is attributed to salaries. Richard McComas stated that the total personnel cost is 69.85% of the total budget. JP Summers reminded the Committee that they have tried to keep personnel at or below 70% of the budget, which will be more difficult as revenues continue to flatten out.

JP Summers stated that they can see there are dollars in the bank, but they are facing several demands on Capital Projects, and if they are not careful, it can be gone in a minute.

JP Stephenson noted that at the last Finance/Budget meeting, they had discussed putting all capital projects on hold, and while continuing to look at other funding options, revisit the issue in June of 2009. He asked if they needed to put that in the form of a Resolution.

County Attorney Robin Green stated that a Resolution would be a statement of intent for this Quorum Court, but she did not think it would be binding for a future Court. JP Hill stated that it could be addressed at the January Committee of Thirteen meeting. JP Moore stated that it might be a good idea, so that the new Justices would be aware of what has transpired so far.

JP Stephenson made motion to indefinitely postpone or delay, but take it up no later than June or July of 2009, any further expenditures on the Juvenile Detention Center and the County Jail expansion, seconded by JP Hill.

JP Stephenson stated that the reason from his perspective is that they do not know what the economy is going to do, but that perhaps within six months they will have some indication as to its direction. He said he does not think it is a good idea to pursue projects with vast expenditures when they are not emergencies, although both projects are sorely needed.

JP Hubbard asked what will happen to the \$1,020,000 already set aside for the sheriff's jail expansion. JP Summers stated that it is still earmarked, for lack of a better term, but will not be spent. JP Stephenson said that no one else will spend it either. JP Wolf stated that they are still looking for other options, and the reason for putting everything on hold is to give them some time to see what the economy is going to do.

JP Moore stated that in the past, the reason they tried to avoid delays was to avoid higher construction costs, but in this deflationary economy, a delay might mean lower construction costs down the road.

JP Summers pointed out that contributing \$625,000 to the Capital Projects fund is done so in accordance with a county ordinance adopted in 1991. He said long-term financing is available through bonds, and there may be other options which might be within the amount that is dedicated to Capital Projects each year. He said that as they prepare future budgets, they must keep in mind that the 2010 Census will result in a \$2 million to \$2.5 million decrease in sales tax revenue.

JP Glass stated that there has been a lot of discussion relative to the mandatory nature of the jail and the constitutional requirement that the county must pay for housing prisoners, whether they ship them out and pay for it, or do it here. He said that there is not a similar directive for the

JDC, and they should keep in mind the differential between the cost of housing them here or paying for it elsewhere. JP Moore stated that they need to remember that whether a prisoner is adult or juvenile, the county is still legally bound to house and feed them, whether we do it here or somewhere else. He said that one of the reasons for building the current JDC was because of the cost of transporting juveniles elsewhere. JP Glass stated that he does not disagree about the county's responsibility, but the numbers in terms of maximum capacity have not been the same. JP Stephenson stated that he does not think there is any difference constitutionally or statutorily between the jail and the JDC.

JP Summers stated that county government is going to have to take a larger role in managing the jail population through alternative programs such as Drug Court, because if they continue to put people with alcohol and drug problems in jail, they could build a 2,000-bed facility and it would not be enough. He continued that even if the county has to fund it, Drug Court needs to be expanded, to include adults, juveniles, and even families, noting that Drug Court is 85% successful. He said that once someone is in the criminal justice system, it is hard to get them out. Motion passed by unanimous show of hands vote.

JP Wolf made motion to forward the 2009 Budget to the November 20, 2008 Quorum Court agenda, seconded by JP Stephenson.

JP Hobbs stated that the Elected Officials have requested that the salaries for all elected officials be set at the 95% of the maximum of the range set by the legislature, and she believes that in these difficult economic times it sends the wrong message, so she would like to make a motion to amend the budget to set elected official salaries at 93% of the maximum, seconded by JP Moore. JP Hobbs stated that she also thinks that the \$7,000 salary increase proposed for the Election Coordinator is too great an increase and is not serving the best interests of our citizens.

JP Williams offered a friendly amendment to give Elected Officials a 3% increase. JP Hobbs and JP Moore accepted the amendment.

JP Stephenson stated that the reason it came up was because historically the problem with elected officials' salaries was that it never was the right time, and this is an attempt to get it done in a straightforward, black and white manner, so that everyone would know what the salaries are. He said that he is in favor of the budget as proposed, they are not talking about a great deal of money, and to go back and start the discussion all over again would just be defeating themselves. JP Glass stated that he agrees with JP Stephenson, and the reality is that they will always be criticized for giving themselves raises. JP Moore stated that he agrees with JP Hobbs that the perception is more important than the amount of money they are talking about, and it looks bad when people at the top are getting a larger increase than the people who are actually doing a lot of the work, and a 3% increase would basically be the same as the employees are getting.

JP Summers stated that he will support the budget as is, because they have wrestled back and forth with this issue for several years, looking for a consistent way to deal with it. He asked how long it has been since they received an increase. Richard McComas stated that they received a 3% cost of living along with the other county employees two years ago. He said he felt that the 95% is justified, and there are not many dollars involved.

JP Williams stated that they all agree that it is a way to eliminate going through this discussion year after year, but the main thing that Justices Moore, Hobbs, and she agree on is that it seems unfair to give employees a 2% cost of living increase and a 2% merit increase while giving elected officials almost 8% seems to be out of balance. She said that using the method proposed

by Deanna Ratcliffe will put a practice in place which will ensure that the elected officials are treated fairly. She said during these difficult economic times it amazes her that a fiscally conservative county thinks this is acceptable.

Motion to amend the proposed 2009 Budget failed, 5 votes in favor - (Brown, Hill, Hobbs, Moore, Williams) 7 votes against - (Glass, Harrison, Hubbard, Stephenson, Summers, Wolf, Wozniak) 1 absent (Winscott).

Motion to forward the proposed 2009 Budget passed 10 votes in favor (Brown, Glass, Harrison, Hill, Hubbard, Moore, Stephenson, Summers, Wolf, Wozniak), 2 votes against (Hobbs, Williams), 1 absent (Winscott).

OTHER BUSINESS:

Resolution Request: 2009 Millage Rate

JP Summers stated that each year a Resolution is passed to set the county's millage rate, which is currently 4.8 for County General and 2.2 for County Road. He added that there is a possibility of a roll back of 1/10 of a mill.

JP Wolf made motion to forward to the November 20, 2008 Quorum Court agenda, seconded by JP Stephenson.

Motion passed by unanimous show of hands vote.

ANNOUNCEMENTS:

JP Summers announced that the next Quorum Court meeting will be November 20, 2008 at 6:00 p.m., the next Committee of Thirteen meeting will be December 9, 2008 at 6:00 p.m., and December's Quorum Court meeting will be on December 18, 2008 at 6:00 p.m.

PUBLIC COMMENTS:

None

After motion and second the meeting was adjourned at 6:47 p.m.